

REPORT OF THE

**Joint Subcommittee Studying the
Comprehensive Services Act and
Comprehensive Services for At-Risk
Youth and Families Programs**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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Joint Subcommittee Members

The Honorable Emmett W. Hanger, Jr. (Chairman)
The Honorable Janet D. Howell
The Honorable Phillip A. Hamilton
The Honorable Michele B. McQuigg
The Honorable William H. Fralin, Jr.
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JOINT SUBCOMMITTEE STUDYING THE COMPREHENSIVE SERVICES ACT AND COMPREHENSIVE SERVICES FOR AT-RISK YOUTH AND FAMILIES PROGRAM

Background

Senate Joint Resolution 96(2006) establishes a joint subcommittee to study the cost effectiveness of the Comprehensive Services Act (CSA) and Comprehensive Services for At-Risk Youth and Families Program (the Program) and to collaborate with the Joint Legislative Audit and Review Commission (JLARC) regarding its evaluation of the administration of the CSA. The joint subcommittee is composed of two members of the Senate appointed by the Senate Committee on Rules and four members of the House of Delegates appointed by the Speaker of the House of Delegates; one nonlegislative citizen member appointed by the Senate Committee on Rules; two nonlegislative citizen members appointed by the Speaker of the House of Delegates; the Commissioner of Social Services or his designee; and the Director of the Department of Planning and Budget or his designee. The Commissioner of Social Services or his designee, and the Director of the Department of Planning and Budget or his designee shall serve ex officio with voting privileges.

Pursuant to SJR 96, the study is to be conducted in two phases. In the first phase of the study, during the 2006 interim, the joint subcommittee (i) reviewed the administration of the CSA by state and local governments, including projections of caseloads, service needs and costs, and quality of services provided, and (ii) made recommendations for improvement of program services and strategies for cost containment. At the same time, JLARC was charged, pursuant to HJR 60 (2006) (Nixon) with completing a comprehensive study of the CSA and the Program. During the second phase of the study, during the 2007 interim, JLARC shall brief the joint subcommittee regarding its findings and shall assist the joint subcommittee in developing recommendations relative to collective findings and assessments regarding the administration of the CSA and the cost effectiveness of the Program. The joint subcommittee shall ultimately develop appropriate recommendations in consultation with JLARC. Throughout the process, the joint subcommittee and JLARC are tasked with working collaboratively to minimize duplication and fragmentation of effort.

The joint subcommittee was limited to four meetings in the 2006 interim and is limited to four meetings in the 2007 interim, with meetings to be concluded no later than November 30 of each year. The chairman of the joint subcommittee and the chairman of JLARC shall individually submit to the Division of Legislative Automated Systems an executive summary of their findings and recommendations no later than the first day of the next regular session of the General Assembly for each year. Direct costs of the study shall not exceed \$7,700 for each year without special approval as set out in the resolution. Of this amount, an estimated \$500 is allocated for speakers, materials, and other expenses.

October 2006

The first meeting of the Joint Subcommittee Studying the Comprehensive Services Act and the Comprehensive Services for At-Risk Youth and Families Program was held on Tuesday, October 31st. Senator Emmett Hanger was unanimously elected Chairman of the joint subcommittee. In absentia, Delegate Phillip Hamilton was unanimously elected Vice Chairman.

The meeting began with a presentation on Virginia's Comprehensive Services Act and Comprehensive Services for At-Risk Youth and Families Program, given by Ms. Kim McGaughey, Executive Director of the Office of Comprehensive Services. Ms. McGaughey discussed the impetus for the CSA and the CSA statutory framework, and provided an overview of the demographics of the population served, the services provided, and annual program expenditures. Additionally, Ms. McGaughey discussed major challenges faced by the CSA and the Comprehensive Services for At-Risk Youth and Families Program. These included ensuring access to appropriate community services and creating an array of community services. Ms. McGaughey offered several key initiatives intended to meet these challenges, including:

- Expanding community expertise in serving children with serious emotional and behavioral problems;
- Expanding services for families, and in schools and communities to prevent placements in more restrictive settings;
- Returning children from residential placements, or keeping children out of residential placements, who can be served effectively in homes, schools, and communities;
- Eliminating the need for families to relinquish custody of children in order to access behavioral health services
- Creating one system of care for "mandated" and "nonmandated" children, regardless of which agency "door" they walk through; and
- Improving results and performance accountability with CSA by implementing CSA performance measures, strengthening the role of Community Policy and Management teams, and increasing CSA administrative funds for communities.

Following the overview of Virginia's Comprehensive Services Act and Comprehensive Services for At-Risk Youth and Families Program, Dr. Brian Meyer, Executive Director of the Virginia Treatment Center for Children and Chairman of the Child and Family Behavioral Health Policy and Planning Committee discussed various problems associated with the CSA and potential solutions. Dr. Meyer identified several strengths of the CSA, including the fact that the CSA pools funds to serve children, utilizes systems of care under which services and providers work together to help troubled and at-risk children and their families, and allows local community teams to decide what is best for their children. Dr. Meyer indicated that such an approach

provides for the flexible use of funds, allowing children to receive services that public and private insurance do not fund.

Dr. Meyer then identified several problems associated with the CSA. Specifically, Dr. Meyer noted that the CSA does not serve a significant portion of its target population. Dr. Meyer also pointed out that the current funding formula, created in 1994 and based on locality population and need, as measured by poverty, creates inequity. Finally, Dr. Meyer noted, the current model includes an insufficient number of community-based and intermediate level services, with too great a reliance upon residential care.

In response to these problems, Dr. Meyer offered six specific recommendations. First, the Office of Comprehensive Services should to continue to work to return the CSA to its original intent of serving troubled and at-risk children. Second, the Office of Comprehensive Services should officially eliminate the distinction between mandated and nonmandated children. Third, the General Assembly should require that the CSA funding formula be recalculated after each decennial census. Fourth, the General Assembly should provide an amount equal to 2.5% of total CSA expenditures to help start up new community-based services, particularly intermediate-level services. Fifth, the General Assembly should authorize the Office of Comprehensive Services to use CSA funds flexibly, to help start up new community-based services (for example, to allow several communities to pool their funds to start up a service that none could fund individually). Finally, the General Assembly should fund four child psychiatry fellowship and four child psychology internship slots with payback provisions to work in underserved areas in Virginia at a cost of \$493,000 annually.

A third presenter, Ms. Nathalie Molliet-Ribet of the Joint Legislative Audit and Review Commission, offered an overview of JLARC's study of children's residential services delivered through the CSA, pursuant to HJR 60 and in conjunction with the joint subcommittee pursuant to SJR 96. Ms. Molliet-Ribet discussed the scope, activities and topics of the final report, which were released on December 11, 2006.

Data for the study was collected through visits to 17 localities and numerous residential providers; surveys of every local CSA coordinators, all Virginia residential providers, many Community and Policy Management Teams, and case managers of 360 CSA participants; financial analyses of residential facilities, and analyses of licensing compliance data and residential program characteristics. The final report includes findings and recommendations related to:

- Factors affecting residential expenditures, including availability of lower cost, community-based alternatives to residential care, adequacy of local infrastructure to secure the most cost effective services, and effectiveness of markets in controlling rates of residential facilities;
- Adequacy of licensing standards and regulatory enforcement, to ensure that quality services are provided, including the adequacy of licensing standards to

- ensure health and safety of children and the effectiveness of regulatory agencies in enforcing compliance with licensing standards; and
- Importance of tracking child outcomes, including current availability of information to measure the impact of the CSA program.

November 2006

The second meeting of the Joint Subcommittee Studying the Comprehensive Services Act and the Comprehensive Services for At-Risk Youth and Families Program took place on November 22, 2006. Following a call to order, introduction, and opening remarks by Chairman Senator Hanger, three presentations were offered.

Mr. Phillip Bradshaw, County Supervisor, Isle of Wight, spoke on the issue of challenges posed by the Comprehensive Services Act and Comprehensive Services for At-Risk Youth and Families Program for local governments. Specifically, Mr. Bradshaw pointed out that the CSA was not developed as the sole program to address all issues confronting children, but rather that as other state programs and services have been reduced or cut in the years since the CSA's development, more pressure has been put on the CSA structure to handle various problems confronting at-risk youth and families. To remedy this situation, Mr. Bradshaw suggested establishment of prevention programs like the Healthy Families program, development of appropriate and cost-effective services in the community, funding of the children's mental health system, and increased funding for administrative functions as ways to ease the burden on the CSA system. With regards to the issue of mandated vs. nonmandated children, Mr. Bradshaw disagreed with the idea of making all children mandated for services under the CSA. Rather, he argued, these children should be cared for by the mental health system or other system charged with meeting their specific needs.

Mr. Walter Credle, Director of Social Services for Hampton, and Ms. Denise Gallop, Hampton's CSA Coordinator, gave a presentation on Hampton's innovative approach to the delivery of services under the CSA. To begin, Mr. Credle identified two key factors that drove Hampton to initiate the program: local government's concerns about the increasing costs of services and judges and staff members' belief that children were doing poorly in residential placements.

Mr. Credle also identified four key belief systems supporting the status quo that had to be overcome before Hampton could initiate its innovative approach. First, Mr. Credle noted that the idea of family-focused, community-based services had not been perceived as particularly well suited for the most at-risk and hardest to serve children. To overcome this belief, the Hampton team worked to foster a professional acceptance of residential placement as appropriate for such populations. To do so, the Hampton team worked to develop within the community and among professionals serving children and families a commitment to creating community-based placements tailored to the individual needs of children where none had previously existed. Additionally, Mr. Credle pointed out the importance of combating the belief that higher costs necessarily bought better quality service. Mr. Credle noted that the medical field had first begun challenging this

assumption through an emphasis on outpatient procedures and prevention services in recent years. Community-based care in Hampton has demonstrated that high quality and lower cost are not always incompatible. Mr. Credle also argued against the idea that individual agency approaches should prevail over a collaborative approach. He posited that leadership from the CSA coordinator and commitment from the Community Policy and Management Team (CPMT) needed to reinforce a collaborative community-based (CSA) approach. Mr. Credle suggested that there should be a state CSA Academy to institutionalize training and certification for a local "systems of care" model. Finally, Mr. Credle argued against the idea that professional influence should prevail over parent involvement. He reiterated that parental involvement and parents' voices are necessary and should be heard in developing case plans.

Ms. Denise Gallop then discussed several major elements and accomplishments of the Hampton CSA program. Ms. Gallop pointed out that Hampton seldom utilizes residential treatment as a service option. In fact, only 2% of all services funded by Hampton in the third quarter of 2005 were residential treatment services. Additionally, Hampton and Newport News were the only localities that had no children placed out of state as reported by the third quarter 2005 CSA Data Set. This accomplishment was achieved as a result of the team's strong commitment to multiagency collaboration, in place since 1993. This commitment has allowed the team to support children and families and to allow them to remain together in the community.

During the same time, Ms. Gallop noted, multiple collaborations have resulted in the development of innovative programs by all CPMT member agencies. Projects have included intensive care management, specialized foster care, the teaching parent approach, family reunification, and intensive in-home services. In addition, Hampton has emphasized prevention and early intervention services. For instance, the Hampton Healthy Families Partnership has played a significant role in interagency collaboration and reducing the need for intervention services. Also, the Specialized Foster Care Project has supported children with significant needs, helping them to remain in the community. As a result of this program, 84% of youth having academic problems; 80% of the youth having physical aggression issues; 61% of the youth having depressive symptoms; and 30% of the youth having suicidal or self-harmful behaviors have been able to remain in the community. Overall, the Project has shown significant success as evidenced by 92% of the children in the project remaining in their specialized foster home, moving to a less restrictive environment, or being adopted during the past 12 months.

Mr. Credle concluded the presentation by identifying two elements necessary to ensure that the program continues to function well: dedicated staff to support the Family Assessment and Planning Team (FAPT) and a single FAPT to give consistent, collaborative assessments. Additionally, Mr. Credle identified three things that must exist to ensure continued success. These included a commitment to reduce length of stay in residential placements by returning children to the community quickly, a commitment to develop alternate funding sources to supplement the fund pool, and a commitment to rigorous utilization review of all high-cost placements.

Ms. Gretchen Ellis gave a presentation on innovative approaches to the delivery of services developed by the Charlottesville/Albemarle Commission on Children and Families (CCF). The CCF is charged with providing comprehensive short and long range planning, evaluating current service delivery systems, identifying and encouraging new and innovative approaches, identifying additional public and private funding sources, making program and funding recommendations to the City and County, and adhering to the responsibilities of the Community Policy and Management Team under the Comprehensive Services Act (CSA) and Virginia Juvenile Community Crime Control Act (VJCCCA).

In carrying out the responsibilities of the Community Policy and Management Team under the CSA, the CCF's Comprehensive Services Act Committee established the Cost Containment Subcommittee to study the reasons for increasing caseloads and cost growth in the CSA program and to recommend ways to improve cost control. CCF published the *CSA Cost Containment Report*, with recommendations on how to increase efficiency of services and contain costs. Some unique elements of the Charlottesville/Albemarle CCF model that have resulted from the efforts of the Subcommittee includes:

- Utilization Management and Review Initiative: The Commission entered into a contractual agreement with the Community Services Board to develop and implement a system-wide utilization management and review process to assess the efficacy and efficiency of service providers, which resulted in increased use of alternative funding and greater vendor accountability.
- CHINS Team: Establish an Interdisciplinary Truancy Team to address the problem of truancy in the Charlottesville/Albemarle community more effectively using a grant from the Virginia Department of Criminal Justice Services to develop and implement.
- Single FAPT: In July 2005, the local CSA program switched to a single FAPT from its previous four to provide for more consistent and in-depth assessment and review of client service outcomes utilizing the expertise of the most knowledgeable agency workers to ensure quality services and oversee financial accountability.

December 2006

The third and final meeting of the Joint Subcommittee Studying the Comprehensive Services Act and the Comprehensive Services for At-Risk Youth and Families Program for the 2006 interim took place on December 11, 2006.

During the first hour of the meeting, the members of the Joint Subcommittee heard JLARC's presentation of the final results of the Commission's study of children's residential services delivered through the Comprehensive Services Act. This study, conducted pursuant to HJR 60, required JLARC to:

1. Evaluate the regulatory scheme and implementation of the Standards for Interdepartmental Regulation of Children's Residential Facilities to determine if

the interdepartmental program should be continued or whether more accountability and assurances for the safety, health, and welfare of the children placed in residential facilities would be obtained by returning the responsibility for regulation of the various categories of facilities to the specific agency having the relevant expertise;

2. Collect data on and analyze the services purchased for CSA children to ascertain whether the Commonwealth and localities are receiving quality services for the money paid and whether rates for group homes and campus facility placements of CSA children are being set in a rational and cost-effective manner;
3. Identify the impact on local jurisdictions of placements across jurisdictional line of CSA children, including, but not limited to, possible costly services that are not reimbursed through CSA, such as law enforcement, fire protection, mental health services, and education, and determine any steps that should be taken to improve placements in home jurisdictions and any factors providing adverse incentives for placements across jurisdictional lines;
4. Identify the impact on CSA children when placed across jurisdictional lines away from their families, communities and potential support networks;
5. Determine the impact on delivery of appropriate case management and quality assurance by the funding jurisdiction when CSA children are placed across jurisdictional lines to determine whether such children are receiving appropriate care, case management, education, and supervision; and
6. Determine the regulatory and fiscal steps that are necessary, if any, to control costs, obtain quality services, ensure accountability for services, and protect the health, safety and welfare of the children placed in residential facilities, particularly when they are placed across jurisdictional lines.

In conducting its study, JLARC conducted visits to 17 localities and numerous residential providers; surveys of every local CSA coordinators, all Virginia residential providers, many Community and Policy Management Teams, and case managers of 360 CSA participants; financial analyses of residential facilities, and analyses of licensing compliance data and residential program characteristics.

Conclusions presented at the meeting included:

1. The state's process for licensing and enforcing compliance in residential facilities does not appear to adequately support children's health and safety. Licensing standards and enforcement efforts need to be improved to ensure that all providers are held to a minimum level of care that better ensures the safety of children.
2. Limited information currently exists to assess whether residential providers effectively address the emotional and behavioral problems of Virginia's children, but available data suggests mixed results.
3. The CSA program served 16,272 children in 2005, one-quarter of whom received residential services that cost approximately \$194 million. Mechanisms that better

- control expenditures for residential services will likely yield the largest savings to the State because these services account for the majority of program spending.
4. Addressing gaps in the availability of community-based services would reduce program costs by decreasing the frequency of residential placements for children who can effectively and safely be served in the community. In addition, a more complete continuum of care would help children access the services best suited to meet their needs and realize the CSA program's original intent of serving youths in their homes and communities.
 5. Most children's residential facilities appear to charge rates commensurate with the scope of their services and experience limited profitability, but some providers may charge high rates and realize excessive profit margins. Improving access to reliable information could enhance market efficiency without the need to resort to more formal mechanisms such as rate setting.
 6. Although local CSA staff generally develop appropriate service plans, greater State resources for program administration coupled with additional guidance on prioritizing responsibilities would enhance accountability and help local CSA programs to better meet children's needs in the most cost-effective and efficient manner.

Following JLARC's presentation of its findings, Ms. Nathalie Molliet-Ribet, Project Leader for JLARC's Evaluation of Children's Residential Services Delivered Through the Comprehensive Services Act Study answered questions posed by the members of the joint subcommittee.

The joint subcommittee then discussed the recently released Attorney General's opinion that interpreted certain sections of the Comprehensive Services Act that require the provision of services to children with disabilities and children in need of foster care services, concluding that such sections, when read in conjunction with the definition of "foster care services" set forth in § 63.2-905 of the Code of Virginia, indicates that an eligible child does not actually have to be placed in foster care to receive mandated services and may be eligible to receive mandated services while remaining in the custody of his parents. The members of the joint subcommittee concluded that because state and localities will be required to bear the financial burden of funding services for this new category of children who are not placed in foster care but are mandated to receive services, it would be beneficial to study the effect of the Attorney General's opinion and passed a resolution calling for JLARC to study the effects of the resolution on state and local governments.

2007 Interim

During the 2007 interim, the joint subcommittee plans to continue to review the administration of the CSA by state and local governments, with input from various stakeholders. The joint subcommittee will also work to develop appropriate recommendations in consultation with JLARC and others.